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TAGS: [PTER](#) [PREL](#) [PGOV](#) [ENRG](#) [KTFN](#) [KISL](#) [AJ](#)  
SUBJECT: SCENESETTER FOR S/CT FRANK URBANCIC'S VISIT TO BAKU

REF: STATE 009259

Classified By: Ambassador Anne E. Derse for reasons 1.4 (b) and (d).

¶1. (C) Frank: My team and I look forward to your February 13-16 visit. Your visit provides a valuable opportunity to address key security issues with the GOAJ, particularly extending our non-intelligence CT cooperation and pushing the GOAJ to address its energy infrastructure gaps.

¶2. (C) Azerbaijan's pro-Western foreign policy orientation, geopolitical setting -- sandwiched between Iran and Russia -- cooperation in the war on terror, and ability to provide alternative energy supplies to Europe and to use its energy resources to drive growth and development in the region, make it an important U.S. partner. It is in our interest to have a reforming, stable, pro-western Azerbaijan, in the Eurasian heartland. As you know, the bilateral agenda with Azerbaijan is based on three interdependent interests: diversifying European energy supplies, promoting political and economic reform, and extending our security cooperation. Our security and energy cooperation is strong, but promoting reform remains challenging.

#### Azerbaijan's CT Structures and Capabilities

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¶3. (S/NF) Within the GOAJ, the Ministry of National Security (MNS) has the lead bureaucratic mandate for disrupting terrorist networks and also the greatest operational capabilities for fulfilling this mission. The service is capable of monitoring Islamic extremist cells and conducting operations against extremists. Additionally, President Aliyev has close personal ties with the head of the service, Eldar Mahmudov, which boosts the MNS' stock within the GOAJ. Our bilateral cooperation with the MNS, including on Iran, is strong and growing. The service also increasingly appears sensitized to the threat posed by Sunni extremists.

¶4. (C) The Ministry of Internal Affairs (MIA) is responsible for conducting investigations of and detaining suspected terrorists, but it appears to have a limited role in operational tracking and disrupting terrorist networks. The State Border Service also has some responsibility for monitoring and detecting the movement of criminals and terrorists along Azerbaijan's border. Neither of these two services, however, appear to have the operational capabilities or institutional weight of the MNS; they appear to defer to the MNS on all sensitive issues. The MIA and the State Border Service suffer from endemic corruption problems.

¶5. (C) While the GOAJ increasingly recognizes the threat posed by Sunni jihadist circles, the GOAJ's traditional perception of the terrorist threat focuses on Iran and Armenia. Baku maintains cautious relations with Iran, in part because the GOAJ fears that Iran could easily deploy

terrorist operatives against GOAJ or Western facilities. Elements within the GOAJ also perceive that Armenia might use terrorist tactics to weaken Azerbaijan's sovereignty.

#### Additional Context on Suggested Topics

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16. (C) We believe your visit can have the greatest impact by focusing on extending our non-intelligence CT cooperation, pressing for progress on the GOAJ's long-stalled counter-terrorism finance legislation, addressing Azerbaijan's energy infrastructure protection plans and capabilities, and developing a dialogue with the GOAJ on Islamic extremists.

- Non-Intelligence CT cooperation: Both the Ministry of National Security and the Ministry of Foreign Affairs have told us that they would like to expand bilateral cooperation on non-intelligence issues related to counterterrorism. The GOAJ has identified biometrics and border control systems as areas of interest. Given Azerbaijan's rapidly growing energy revenues, we should consider any new initiatives in the context of our broader co-financing agreement for technical assistance.

-Deficiencies in Azerbaijani Law regarding Terrorism Finance and Facilitation: President Aliyev is the key interlocutor on this issue. Although Parliament reportedly will consider new draft anti-money laundering and counter-terrorism finance legislation in its spring session, the legislation appears to still be under review by the Presidential Administration. Over the last four years, the U.S. has worked closely with the GOAJ on this draft legislation and providing extensive suggestions. In our February 2007 Economic Partnership Commission meeting, the GOAJ agreed to present the draft

legislation to parliament in the first half of 2007.

-We encourage you to tell President Aliyev that this is an important tool in our counterterrorist efforts and that other counterterrorist partners have taken this step. Azerbaijan's lack of strong counter-terrorism finance legislation is a gaping hole in our otherwise excellent counter-terrorism cooperation. GOAJ officials in the past have been slow to move on this legislation due to its implications for money-laundering and other corrupt activities. Where and how to structure a Financial Intelligence Unit appears to be a key sticking point. Although the National Bank currently operates a small anti-money laundering unit, it does not appear to play any real role in investigations or enforcement.

-Critical Energy Infrastructure Protection (CEIP): The GOAJ has not yet responded to the U.S. questions regarding Azerbaijan's CEIP plans and capabilities, although we understand the Ministry of Foreign Affairs has circulated the questions to the broad range of entities involved in CEIP and is preparing responses. We believe your meetings with President Aliyev, Foreign Minister Mammadyarov, and Deputy Prime Minister Abid Sharifov are the best format to demonstrate that the U.S. is serious about Azerbaijan's ability to protect its energy infrastructure. Deputy Prime Minister Sharifov heads an inter-ministerial working group on these issues that is not yet very active, in part because the division of responsibilities among GOAJ entities is not clear; we hope your meeting with him will provide greater insights into the working group and help the GOAJ understand the need to take more coordinated action. While the GOAJ is eager for greater cooperation with the U.S. on this issue, its own internal bureaucracy is riven by rivalries and unclear delineations of responsibility. The Navy and Coast Guard, for example, continue to argue over which agency has lead authority for certain response scenarios. For your visit, we hope to bring the two services together for a joint discussion of these issues.

-Islamic Radicalization: The GOAJ is aggressive in seeking to counter dangerous Islamic radicals. Baku's approach often

fails to distinguish between Islamic radicals and devout Muslims, with devout non-radical Muslims often being harrassed. As increasing numbers of Azerbaijanis are seeking to explore their faith (a natural occurrence in this post-Soviet society), the GOAJ,s heavy-handed tactics could prove problematic, as could the GOAJ,s continuing state control over religious institutions. The GOAJ,s reluctance to allow Muslims to develop indigenous Islamic institutions and educational materials also could raise long-term problems. To the degree Azerbaijan fails to develop credible indigenous Islamic institutions, pious Muslims are more likely to fall prey to intolerant, radical interpretations of Islam. Your meetings with President Aliyev and MNS Chief Mahmudov will be the best forum to discuss this issue. We have requested meetings with the Ministers of Justice and Internal Affairs, which will be useful forums for focusing on the issue of Islamic radicalization within the Azerbaijani penal system.

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